



State of Colorado
Department of Law
Uniform Debt Management Services Act
1525 Sherman St., 7th Floor,
Denver, CO 80203
Telephone: (303) 866-4494
Fax: (303) 866-5474
E-mail: uccc@state.co.us

2008 Annual Report - Colorado Debt Management Services Providers

This is a composite of all reports made to the Administrator of the Uniform Consumer Credit Code, pursuant to 12-14.5-211(c)(8), C.R.S., from registered Debt Management Providers. This information has not been independently verified.

2008 GENERAL INFORMATION

Number of Providers reporting data for 2008: 42

Total Number of Agreements Colorado Consumers Entered Into During 2008: 10,189

Total Activity for 2008 by Provider Type	Credit Counseling¹	Debt Settlement²
Total Number of Agreements	7,342	2,847
Average Amount of Debt per Consumer	\$21,050	\$30,788
Average Term of Agreement	40.8 Months	32.3 Months
Average Fees Collected ³	\$495	\$1,666

2008 CREDIT COUNSELING ACTIVITY

Money received from Colorado Consumers \$ 90,907,711

Money paid to Creditors \$ 86,313,005

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Number of Agreements	7,342	8,005	8,459
Percent of Completed Agreements	1.92%	4.02%	8.35%
Percent of Active Agreements	73.20%	54.13%	43.87%
Percent of Terminated Agreements	24.88%	41.85%	47.78%

¹ Credit Counseling providers work with a consumer's creditors to establish a debt management plan that may include interest rate reductions, lower fees, and lower monthly payments. Plans typically provide full repayment of the principal amount of debt enrolled in the plan. Consumers make monthly payments to credit counseling providers. This money is held in the provider's trust account. Funds are then disbursed monthly to creditors on behalf of the consumer.

² Debt Settlement providers negotiate with a consumer's creditors to settle debts for less than the full balance owed. Debt settlement providers do not make regular payments to creditors. Instead, consumers make monthly deposits into savings or special purpose accounts. Once a certain balance in the account has been achieved, the debt settlement provider attempts to reach a settlement with each creditor for less than the full balance owed.

³ Maximum allowable charges for Credit Counseling Providers may not exceed \$50 for a monthly service fee and a one time \$50 initial set up fee. Maximum allowable charges for Debt Settlement Providers may not exceed 18% of the total principal amount of the debt at the time of enrollment.

2008 DEBT SETTLEMENT ACTIVITY

Total Amount of Debt Covered Under Debt Settlement Agreements \$ 72,551,619

For Debt Settled in 2008:

Original balance at time of enrollment: \$ 17,983,083

Balance of debt at the time of settlement: \$ 21,624,265

Settlement amount paid: \$ 11,184,895

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Number of Agreements	2,847	2,528	1,357
Percent of Completed Agreements	0.84%	4.31%	7.81%
Percent of Active Agreements	70.78%	43.91%	38.91%
Percent of Terminated Agreements	28.38%	51.78%	53.28%